Impact of Labeling and Packaging on Buying Behavior of Young Consumers with Mediating Role of Brand Image

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Abstract
The study is intended to measure the impact of packaging and labeling on consumer buying behavior. Further it also investigates the mediation of brand image for the relationship of packaging and labeling with consumer buying behavior. The study was causal in nature, data was collected through 200 respondents and analyzed through correlation, regression and Sobel test. Results revealed that packaging is positively associated with consumer buying behavior. Further it is found that brand image mediates the relationship of packaging and consumer buying behavior only.

Keywords: Impact; Labeling; Packaging; Buying Behavior; Young Consumers; Mediating Role of Brand Image

1. Introduction
Products are always protected by packaging which is a material around the product to protect it from any sort of damages, contain information about the brand, quality and how to use that product is known as packaging. According to previous studies (Bloch, 1995; Madden, Hewett & Roth, 2000; Underwood et al., 2001; Silayoi & Speece, 2004; Silayoi & Speece, 2007; Butkeviciene, Vila & Ampuero, 2007; Stravinskiene & Rutelione, 2008) attraction towards the packaging is more to be seen in young generation due to several reasons. Consumers of all ages are involved in the category of consumers, who get attracted to the products due to its packaging, but young generation particularly of age group of 17-30 years old males and females consumers to get approximate results. According to Rundh (2005) packaging has a great impact as far as brand is concerned, and people are more attracted because of the brand and they got a perception about a product in advance. Packaging is also used for the marketing of that product. It is actually one of the most important marketing tools for any product.

Labeling give message to consumer that the product have those kinds of features you want and I am best from the other brands of the same products. (K.Rita 2009). Sometimes labeling and
packaging make in a very good manner that consumer think that he or she really needs that kind of product. Many consumers think that this product doesn’t have seen before and so many questions are raised at the time of purchasing like the quality of product, it may have some side effects. Labeling is anything written on the packaging or product or anything else ranging from simple tag or a designed graphics. It is possible that a label only contain brand name of the product or it could contain all the information about the ingredients and use of the product (Kotler, 2001). According to the FDA (1998), a label of the product must contain at least brand name of the product, ingredients, its manufacturer’s name and address, net weight and other nutrition facts abut the product. If label of the product is not in a proper way or not clear to the consumers then there is possibility that consumer will not purchase that type of product. Many companies use packaging and labeling as a tool to attract the buyers towards the product and to increase their sales. (Butkeviciene et al. (2008). People are ready to pay more for the products who have good brand name as compare to those products which don’t have good brand image. For the success of any organization brand name is very important, (Randall 1997). Authors believe that in this age of globalization and competition role of brand is imperative to increase the market share.

1.1 Problem Statement

The study is to investigate the role of packaging and labeling on young consumer buying behavior. Further the study explore the the mediating role of brand image on the relationship of labeling and packaging towards consumer buying behavior.

1.2 Objectives of Study:

1. To explore the relationship of labeling and packaging on consumer buying behavior.
2. To explore that if brand image mediates the relationships of packaging on consumer buying behavior.
3. To explore that if brand image mediates the relationships of labeling on consumer buying behavior.
4. To explore the impact of all above said relationships.

1.3 Practical Implications

The study would help to understand the exact role of the packaging and labeling with respect to consumer buying behavior. Accordingly marketers may opt the strategies. The role brand image is also being considered so marketers would come to know that how long brand image is creating the impact on consumer decisions while they are taking packaging into consideration.

2. Review of literature:

Packaging is used to communicate with the consumer (Butkeviciene et al. (2008). Packaging is the only thing that communicate a message about the product to buyer in the store” (Gonzalez et al., 2007). It is used to protect the product from damages during shipping and transferring product from one place to another (Wells et al,2007). Consumers are sensitive and don’t want such packaging which carries germs or infections as consumers are used to check/evaluate it by appearance of the products and ensuring the quality of the product before making a purchase decision (Grundvag & Østli, 2009).
According to Kotler (2001) “A label might carry only the brand name or a great deal of information”. Before purchase consumer seeks the information and one of the sources of such information is label particularly in nutrition (Caswell and Padberg, 1999). The color, style, design and other interesting material as a label not only distinguishing the brand form other competing brands but also increase the likelihood of purchase (Rocchi and Stefani, 2005). Consumers are interested in the authenticity of the product before the purchase which is defined as “the fact being original” (Mc Leod, 1999). Olson and Jacoby, (1973) identified the label as an extrinsic cue that is an attribute not included in the physical products. Label could create the authenticity in the product by providing such information as quality, specification, ingredients etc. (Halewood and Hannam, 2001; Marianna, 1997).

Keller, (1993) defined that brand image refers to a particular frame of reference by which the consumer is associating a particular brand. A good image enhances the value of the brand in the eyes of the consumer by increasing its likeability/desirability and differentiating it from other competing brands (Hsieh, Pan, and Setiono, 2004). The outcome of the favorable image is the increase in loyalty, equity, consumer buying behavior and overall performance of brand (Koo, 2003; Keller, 1993; Hsieh et al., 2004, Roth, 1995 ). Brand image is measured in terms of benefits a brand is offering or some attributes the brand is having or the usage of the brand (et al., 2001; Malhotra's 1981; ; Roth, 1995).

Consumer behavior includes the number of processes, stages of decision making, and activities in which customer/consumer make decision of buying, using and disposing off the products after usage or fulfillment of needs (Blackwell et al. 2006). Consumer behavior is a decision making process in which people make their purchase and other decisions keeping in view the available resources which are efforts, time and money (Schiffman and Kanuk, 2000). The decision is based on consumer preferences and consumer has his/her own preferences which may differ from each other (Blackwell et al., 2006). As brand name or image increases the value of the brand in the eyes of the customers so they are purchasing a particular brand again and again (Gabbott and Hogg, 1998).

From the above discussion following hypothetical interaction and hypothesis may be inferred:

![Diagram](image_url)
Hypothesis:

H1: Brand image has significant impact on the buying behavior of young consumers.
H2: Labeling has significant impact on the buying behavior of young consumers.
H3: Packaging has significant impact on the buying behavior of young consumers.
H4: Labeling has significant impact on the brand image.
H5: Packaging has significant impact on the brand image.
H6: Brand image mediates the relationship of labeling and buying behavior.
H7: Brand image mediates the relationship of packaging and buying behavior.

3 research Methodology

This is a casual and cross sectional study in nature. It has 1 dependent variable i.e. buying behavior of young consumers, 2 independent variables i.e. labeling and packaging and 1 mediating variable i.e. brand image. It explores the relationship of labeling and packaging on buying behavior of young consumers and also explore the mediating role of brand image. Data was collected through questionnaires from 200 people particularly 17-30 years old because people of this age group are more brand conscious, living in Rawalpindi and Islamabad. Reliability of all variable was measured through Cronbach’ alpha. It is obvious through the analysis that all the variables’ Cronbach’ Alpha values are more than 0.7 showing that data is reliable.

Table 3.1 Reliability analysis

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>Constructs</th>
<th>Cronbach’ alpha</th>
<th>No of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Buying behavior of young consumers</td>
<td>.928</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>Labeling</td>
<td>.802</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>Packaging</td>
<td>.798</td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td>Brand image</td>
<td>.858</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: field data
4. DATA ANALYSIS AND DISCUSSION

Data was analyzed through correlation, regression and sobel test to find out if hypothesis are true or not. Correlation analysis is conducted because it is the prerequisite of Sobel test.

1.1 Hypothesis testing

Table 4.1 Regression Analysis of Brand Image, Packaging, Labeling and Consume Buying Behavior

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>6.503</td>
</tr>
<tr>
<td>(Constant)</td>
<td>.174</td>
<td>.027</td>
<td>.948</td>
<td>46.533</td>
</tr>
<tr>
<td>Brand image</td>
<td>.993</td>
<td>.021</td>
<td></td>
<td>2.483</td>
</tr>
<tr>
<td>packaging</td>
<td>.059</td>
<td>.024</td>
<td>.051</td>
<td>1.32</td>
</tr>
<tr>
<td>labeling</td>
<td>.001</td>
<td>.005</td>
<td>.001</td>
<td>1.32</td>
</tr>
</tbody>
</table>

a. Dependent Variable: buying behavior
Source: Field Data

Table 4.2 Regression Analysis of Packaging, Labeling and Brand Image

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>.771</td>
</tr>
<tr>
<td>(Constant)</td>
<td>.069</td>
<td>.089</td>
<td>.771</td>
<td>.441</td>
</tr>
<tr>
<td>packaging</td>
<td>1.058</td>
<td>.023</td>
<td>.957</td>
<td>45.819</td>
</tr>
<tr>
<td>labeling</td>
<td>.042</td>
<td>.017</td>
<td>.053</td>
<td>2.518</td>
</tr>
</tbody>
</table>

a. Dependent Variable: brand image
Source: Field Data

Table 4.3 Sobel Test for the Relationship of Packaging and Buying Behavior with Mediating Effect of Brand Image

<table>
<thead>
<tr>
<th>Input:</th>
<th>Test statistic:</th>
<th>Std. Error:</th>
<th>p-value:</th>
</tr>
</thead>
<tbody>
<tr>
<td>a 1.058</td>
<td>Sobel test: 4.70378472</td>
<td>0.22335078</td>
<td>0.00000255</td>
</tr>
<tr>
<td>b .993</td>
<td>Aroian test: 4.70268524</td>
<td>0.223403</td>
<td>0.00000257</td>
</tr>
<tr>
<td>s_a 0.023</td>
<td>Goodman test: 4.70488496</td>
<td>0.22329855</td>
<td>0.00000254</td>
</tr>
<tr>
<td>s_b 0.21</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Data
The first hypothesis was Brand image has significant influence on the buying behavior of young consumers. Regression analysis (table 4.1) clearly indicates that there is positive relationship between brand image and buying behavior of young consumers with 95% influence of brand image on buying behavior of young consumers because value of beta is 0.948. Second hypothesis of the study was labeling has a significant influence on the buying behavior of young consumers. Regression table 4.1 showed that no such influence is evident from the data. So the null hypothesis is accepted. Third hypothesis was packaging has a significant influence on the buying behavior of young consumers, Regression analysis (table 4.1) shows that there is positive relationship between packaging and buying behavior of young consumers with 5% influence of packaging on buying behavior of young consumers because value of beta is 0.05. Fourth hypothesis was labeling has as significant influence on the brand image. Regression analysis (table 4.2) shows that there is positive relationship between labeling and brand image with 5% influence of labeling on buying behavior. Fifth hypothesis was that packaging has a significantly influences the brand image. Regression analysis (table 4.2) shows that there is positive relationship of packaging and brand image with 95% influence of packaging in brand image as value of beta is .957.

Sixth hypothesis was brand image mediates the relationship of labeling and buying behavior. As it is evident from the table 4.1 that labeling has not influence on buying behavior which is one of the prerequisites to run the mediation test. So as one of the prerequisite is not being fulfilled there is no mediation exist. So the null hypothesis is accepted. Seventh hypothesis was brand image mediates the relationship of packaging and buying behavior of young consumers as the $p$-value is less than 0.05.

### 4.2 Conclusion

Following conclusions can be derived from the study.

- Brand image have positive impact on buying behavior of young consumers.
- Labeling has no impact on buying behavior of young consumers.
- Brand image mediates the relationship of packaging and buying behavior of young consumers.
- Brand image don’t mediates the relationship of labeling and buying behavior of young consumers.

### 4.3 Limitations

Some of the limitations of this study are as follows:

- Only 17-30 years old consumers are selected as respondents. It was a major constraint in study.
- Time limitation
- Access to information
- People don’t take questionnaire seriously.
- Sample of 200 people only from Rawalpindi and Islamabad.
References:


K Rita (2009), impact of package elements on consumer purchase, Kaunotechnologies universalities, Lietuva, ekonomikairvadyba.


